

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 471 - SB 485

March 10, 2015

SUMMARY OF BILL: Transfers administrative authority over the Board of Court Reporting from the Administrative Office of the Courts (AOC) to the Department of Commerce and Insurance (TDCI), Division of Regulatory Boards. This act will take effect July 1, 2015

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – There will be a shift of \$283,000 and two positions from the Administrative Office of the Courts to the Department of Commerce and Insurance, Division of Regulatory Boards. If the current appropriation and fee revenue are not sufficient to cover the expenditures of the Board of Court Reporting, application and licensure fees will need to be increased.

Assumptions:

- An individual may become a licensed court reporter by completing an application, paying the \$50 application fee and upon the Board's approval, paying the licensure fee of \$200. Licenses are biennial and renewals cost \$200. Reinstatement licenses cost \$500. Licensure is not required by an individual that performs court reporting services and is paid by the federal government, or is an official or per diem court reporter exclusively paid by the AOC for the State of Tennessee and the services provided fall under the court reporter's duties required by the federal and state government to receive compensation. Licensure fees are not currently required to cover all Board expenditures.
- The Board had a deficit of \$26,603 in FY12-13, an annual surplus \$39,767 in FY13-14, and a cumulative reserve balance of \$110,669 on June 30, 2014.
- Based on information provided by the AOC, the Board receives an annual appropriation of \$172,300 which includes \$111,700 in payroll for two positions and \$60,600 in operational expenses.
- The reserve balance, appropriation, and positions totaling \$282,969 will shift to the Division of Regulatory Boards from the AOC.
- Placing the Board under the Division of Regulatory Boards would subject it to the Tennessee Governmental Entity Review Law, pursuant to § 4-29-121, requiring it to collect fees sufficient to cover the cost of operating the Board.
- If fee revenue and the annual appropriation are not sufficient to cover the cost incurred by the Board, the licensure application and licensure fees will have to be increased to a level in which the Board will reach self-sufficiency.

CERTIFICATION:

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The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive style with a large, stylized "J" and "S".

Jeffrey L. Spalding, Executive Director

/jdb